



ARIZONA STATE SENATE
Fifty-Fourth Legislature, Second Regular Session

ENACTED

AMENDED

FACT SHEET FOR H.B. 2686/S.B. 1222

building permits; utilities; restrictions; prohibitions.

Purpose

Prohibits a city, town or county from denying a building permit based on the project's utility provider or from imposing a fine or requirement that restricts an authorized utility provider's service or operation. Requires municipal and county regulations to preserve use of the services of an authorized utility provider. Declares the regulation of building permits and the choice of utility providers a matter of statewide concern that is not subject to further regulation.

Background

Statute authorizes the governing body of a municipality or county, by ordinance, to regulate the use of buildings, structures and land to conserve and promote the public health, safety and general welfare (A.R.S. §§ [9-462.01](#) & [11-811](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits a municipality or county requiring the issuance of a building permit from denying a permit application based on the utility provider proposed to provide utility service to the project.
2. Requires a municipality or county issuing a building permit to ensure that all applicable permits and associated fees assessed on a building permit application:
 - a) contain requirements and amounts that do not exceed the requirements and amounts for use of other utility providers; and
 - b) do not have the effect of restricting a permit applicant's ability to use the services of a utility provider that is authorized to provide service.
3. Prohibits a municipality or county from imposing a fine, penalty or other requirement that has the effect of restricting a utility provider's authority to operate or serve customers.
4. Requires any municipal or county code, ordinance, land use regulation or general or specific plan provision, in whole and in part, adopted by a municipality or county to preserve a person's or entity's ability to use the services of a utility provider that is authorized to provide service.

5. Declares the regulation of a utility provider's authority to operate and serve customers a matter of statewide concern and a building permit applicant's ability to use a utility provider that is capable and authorized to provide utility service is not subject to further municipal or county regulation.
6. Allows the regulation of building permits solely in accordance with the requirements that building permits may not be denied for the utility provider proposed to provide service to the project and that the issuing municipality or county ensure applicable permits and associated fees that do not exceed those for other utility providers and do not restrict the ability to use the services of an authorized utility provider.
7. Specifies that this legislation does not affect any authority of a municipality or a county to manage the public highways within the municipality's boundaries or to exercise municipal police powers to review and approve an application before issuing a permit to perform work in the public highways or to enforce associated permit conditions.
8. Specifies that this legislation does not prohibit the recovery of reasonable costs associated with reviewing and issuing a building permit.
9. Specifies that this legislation does not affect the municipality or county's authority to manage or operate a utility owned by the municipality or the county.
10. Defines *utility service* as water, wastewater, natural gas, including propane gas, or electric service provided to an end user
11. Defines *municipality* as a city or town organized in accordance with law, including a home rule or charter city.
12. Makes technical and conforming changes.
13. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

1. Declares the regulation of a utility provider's authority to operate and serve customers a matter of statewide concern that is not subject to further municipal or county regulation.
2. Allows the regulation of building permits solely in accordance with the outlined requirements for building permits.
3. Specifies that this legislation does not prohibit the recovery of reasonable costs associated with reviewing and issuing a building permit or affect the municipality or county's authority to manage or operate an owned utility.
4. Applies the specification that a municipality or county may exercise police powers to review and approve a building permit application to only permits to perform work in the public highways or to enforce associated permit conditions.

5. Defines *utility service*.
6. Makes technical and conforming changes.

House Action

NREW	1/28/20	DP	8-5-0-0
3 rd Read	2/12/20		36-23-0-1

Senate Action

NRE	1/29/30	DP	4-3-0
3 rd Read	2/13/20		19-10-1

(H.B. 2686 was substituted for S.B. 1222 on
3rd Read)

Signed by the Governor 2/21/20
Chapter 3

Prepared by Senate Research
February 24, 2020
KN/gs